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C O N F I D E N T I A L SECTION 01 OF 02 AMMAN 007841

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LARRY MCDONALD

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SUBJECT: GOJ SUPPORTS IRAQ RECONSTRUCTION; PRESSES RELATED
JORDANIAN NEEDS

REF: STATE 196084

Classified By: CHARGE D'AFFAIRES, A.I. DAVID HALE, REASONS: 1.4 (B & D)

Summary

[11.](#) (C) At a September 20 meeting in Amman, the Jordanian Minister of Planning confirmed that he will head the Jordanian delegation to the upcoming Tokyo IRFFI conference. He reiterated strong GOJ support for our Iraq reconstruction efforts, offered to host the second IRFFI donor conference next year in Amman, and welcomed USG efforts in support of the upcoming Iraqi elections. While acknowledging that Jordanian assistance to Iraq is largely indirect and/or in-kind, he stressed that it is nonetheless comprehensive and crucial to the overall reconstruction effort. In this context he strongly requested high-level USG support for approximately \$1 billion in assistance to "Iraq-related" Jordanian infrastructure and for a Jordanian debt relief mechanism tied to a commensurate or larger forgiveness by Jordan of the debts owed to it by Iraq. The Minister related that senior GOJ officials up to and including King Abdullah are commencing a full-bore effort to obtain Iraq donor recognition and support for these Jordanian needs, and requested active USG recognition of the legitimacy of these issues. End Summary.

Jordanian Support For Iraq

[12.](#) (SBU) A/DCM and econoffs met with the Jordanian Minister of Planning, Dr. Bassem Awadallah, to present reftel points on the upcoming October 13-14 International Reconstruction Trust Fund Facility for Iraq (IRFFI) donor conference in Tokyo. Awadallah reiterated continuing strong GOJ support for IRFFI and other Iraq reconstruction assistance and confirmed that he personally will lead the Jordanian delegation to Tokyo. He added that the GOJ has offered to host the second round of IRFFI donor meetings in Amman in March or April, 2005. Awadallah fully endorsed the USG effort to attract new donations in support of the upcoming Iraqi elections, and asserted that Jordan is notionally prepared to participate in the training of Iraqi election officials and to provide other sorts of in-kind assistance that would draw on Jordanian experience and the GOJ's long-standing constructive relationship with the National Democratic Institute (NDI) and similar institutions. (Note: He did not say that the GOJ would provide such assistance gratis. End Note).

[13.](#) (SBU) Although he stressed the importance of Iraqi reconstruction to future regional stability, Awadallah acknowledged that Jordan, as a major foreign aid recipient itself, is unable to make a significant cash contribution to this effort. However, he reviewed the many ways in which Jordan is providing in-kind and other indirect assistance to the reconstruction effort. As examples Awadallah and his staff identified comprehensive operational support for the military hospital in Fallujah (which he said cost \$2.5 million per month); provision of facilities to other foreign donors for Iraqi police, military, and other security training in Jordan; tax and customs exemptions for food and humanitarian assistance transported via Jordan to Iraq; and a variety of specialized training programs (such as training for civil aviation officials and air traffic controllers) provided free of charge by elements of the Jordanian government to their Iraqi counterparts.

Iraq Reconstruction: "Don't Leave Out Jordan"

[14.](#) (C) More important, Awadallah argued, is Jordan's "strategic" contribution of its port, transportation, and security infrastructure to open up an economic lifeline for Iraq and thereby create the possibility for a long-term "special relationship" with Iraq that will draw it away from Syrian, Iranian, and other anti-Western economic and political influences. Unfortunately, Awadallah asserted, current Jordanian infrastructure cannot sustain this objective, or even maintain indefinitely current constrained levels of transportation, communications, and border security

links essential to the continued flow of Iraq reconstruction assistance. He identified approximately \$1.0 billion in "Iraq-related" Jordanian assistance needs, including \$150 million to upgrade the Aqaba container port (almost wholly engaged in Iraq support, he asserted); \$705 million to upgrade the connecting road system; and \$140 million for border crossing infrastructure (including a free trade facility) and new border posts. Awadallah claimed to have recently briefed IIG Prime Minister Alawi and Planning Minister Hafedh on these Jordanian "Iraq assistance" infrastructure assistance needs and to have won their full support. He then provided us with a GOJ position paper outlining in more detail the Jordanian request (the same paper he gave ASD Rodman recently).

15. (C) Awadallah raised the issue of Jordanian forgiveness of the \$1.3 billion owed Jordan by Iraq under the previous trade protocol between the two countries. While Awadallah claimed to fully understand and support our efforts to press for comprehensive forgiveness of Saddam-era Iraqi debts, he argued that Jordan cannot afford to forgive its portion of these debts without some offsetting Paris club alleviation of its own international debt. While he suggested that this might be subsumed within overall alleviation of the Iraqi debt, he stressed that the GOJ is flexible on the modalities so long as some debt relief for Jordan is provided in parallel to Jordan's forgiveness of its Iraqi debt. He added that he discussed this issue at length with World Bank president Wolfensohn in a phone call on September 19, and provided us with a GOJ paper on the issue which he said was also provided to Wolfensohn (faxed to Desk). (Comment: EU Chiefs of Mission here describe Paris Club relief as a "non-starter." End Comment.)

GOJ: "It's Now or Never" to Get International Support

16. (C) Summing up, Awadallah said the GOJ sees the time as "now or never" to get the donor community to recognize and step up and address Jordan's Iraq support needs. He and other Jordanian officials will raise this issue at the Tokyo plenary and in all related bilateral meetings between now and the Tokyo conference, adding that other senior GOJ officials including King Abdullah will be going full bore over the next few weeks to gain international backing for assistance on these projects. Awadallah noted that this includes his forthcoming meetings with Secretary Powell and Dr. Rice, as well as King Abdullah's upcoming bilateral meetings with French President Chirac (9/28); Italian Prime Minister Berlusconi (9/29); British Prime Minister Blair (10/5); and German Chancellor Schroeder (10/6). While acknowledging that USG aid is part of its notional assistance solution, Awadallah stressed that what the GOJ most wants from the USG is active recognition of the legitimacy of the issue and a proactive, high-level effort to assist the GOJ in achieving what for it are crucial goals.

HALE